

Assigned DOGM File No.: S/023/0057

DOGM Lead: Wayne

Permit Fee \$ _____ Ck# _____

Task: 5941

Incoming

ACCEPTED

MAR 24 2014

DIV. OIL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210
Box 145801

Salt Lake City, Utah 84114-5801

Telephone: (801) 538-5291 Fax: (801) 359-3940

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MAR 04 2014

DIV. OF OIL, GAS & MINING

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The information requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program (R647). The rules and Act are available online at <http://www.rules.utah.gov/publicat/code/r647/r647.htm> and http://le.utah.gov/~code/TITLE40/40_08.htm.

Cultural Resources Survey: To fulfill its obligations under Utah Code Annotated 9-8-404, the Division needs cultural resource (archaeology) information. The amount and type of information required will depend on the mine location, the history of previous disturbance, and other factors. Please contact the Division for further information.

A permit fee of \$150 must accompany this application (Utah Code Ann. §40-8-7(1)(i)) and is due annually.

"Small Mining Operations" are operations which have a disturbed area of ten or fewer surface acres at any time in unincorporated areas, or five acres or fewer in incorporated areas.

I. **GENERAL INFORMATION** (Rule R647-3-104)

1. Name of Mine: ML 47821
- 2.A. Name of Entity Applying for a Permit: Michael Sprunger
- Contact (Authorized Officer): same
- Mailing Address: PO Box 369
- City, State, Zip: Oak City, UT 84649
- Phone: 435 846-2174 Fax: none
- E-mail Address: none

Entity is a: () Corporation, () LLC, () Sole Proprietorship (dba), (☒) Individual, () Partnership (General, or limited), () Other (specify type) _____

Business Entity (not individuals) must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) If not currently registered, contact www.commerce.utah.gov to renew or apply.

- 2.B. Are you currently registered to do business in the State of Utah? () Yes () No
- Business Entity #: _____
- Local Business License #: _____ (if required)
- Issued by: County: _____ or City: _____

Registered Utah Agent (as identified with the Utah DOC) (if individual leave blank):

Name: _____ Title: _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

2.C. Entity's Representative(s) (if different from #2A) authorized and designated to receive notices of violation, cessation orders, and all other notices to be given to the permittee or operator by the Division.

Name: _____ Title: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____ **ACCEPTED**
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____ **MAR 24 2014**

Name: _____ Title: _____
Address: _____ **DIV. OIL GAS & MINING**
City, State, Zip: _____
Phone: _____ Fax: _____
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____

3. If Business is a Sole Proprietor (dba) or Individual:

Name of Owner: Michael Sprunger Title: Owner
Business Address: PO Box 369
City, State, Zip: Ork City, UT 84649
Phone: 435 846 2174 Fax: _____
E-mail Address: _____

If Business is a Corporation:

Name of Officers: _____ Title: _____
Name: _____ Title: _____
Name: _____ Title: _____
Name: _____ Title: _____
Headquarters Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Limited Liability Company: Member Managed (☐) Manager Managed (☐)

Name of 1st Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 2nd Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:

Names of Partners: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:

Names of Partners: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. Ownership of Land Surface:

Private (Fee) () BLM () US Forest Service ()
 State Trust Land/School Sections (X) State Sovereign Lands ()

Other (please describe): _____

Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____

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6. Ownership of Minerals:

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Private (Fee) () BLM () US Forest Service ()
 State Trust Land/School Sections (X) State Sovereign Lands ()

DIV. OIL GAS & MINING

Other (please describe): _____

Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____

BLM Claim Number(s): _____

Utah State Lease Number(s): ML 47821

BLM/USFS Lease or Project File Number(s): _____

Name of Lessee(s): Michael & Sandra Sprunger

7. Have the above surface and mineral owners been notified in writing? Yes X No _____
 If no, why not? _____

8. Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No _____

What is the pre-mining land use, i.e. cropland, grazing, wildlife habitat? Sheep grazing

What is the postmining land use? Sheep grazing

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. **Project Location & Map** (legal description):

County(ies): Utah

SE 1/4, of SW 1/4, of NW 1/4, Section: 16 Township: 12S Range: 11W
 _____ 1/4, of _____ 1/4, of _____ 1/4, Section: _____ Township: _____ Range: _____
 _____ 1/4, of _____ 1/4, of _____ 1/4, Section: _____ Township: _____ Range: _____

UTM East: _____ (if known) UTM North: _____ (If known)

Name of Quad Map for Location: Dugway Pass (7.5 minute)

2. **Is the project within an incorporated area?** () Yes (X) No
If yes, what is the town or city? _____
3. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.
 - a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
 - b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
 - i. The area to be disturbed;
 - ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
 - iii. Any adjacent previous disturbance for which the operator is not responsible.
 (Contact the Division for a list of consultants and land surveyors for mapping assistance.)
4. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. **OPERATION PLAN** (Rule R647-3-106)

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1. **Type of mining:** Surface (X) Underground ()
2. **Mineral(s) to be mined:** Topaz
3. **Amount of material** to be extracted, moved, or proposed to be moved: DIV. OIL GAS & MINING
4. Will any **water, liquid chemicals, reagents, or other solutions** be used, produced or discharged as part of the mining or milling process? Yes () No (X) If yes, please describe (add extra pages if needed): _____
5. Provide a brief **description of the proposed mining operation**, and onsite processing facilities (add extra pages if necessary). See page A (no. 4)
6. () **New Road(s):** Length _____ (ft), Width _____ (ft)
7. () **Improved Road(s):** Describe improvements that need to be made to existing roads to access the site, including the Length _____ (ft) and Width _____ (ft) of new disturbances.
No change to the existing access roads is necessary
8. Total project surface **acreage to be disturbed:** 1/2 (acres) PLEASE SPECIFY EXACT ACREAGE (this will be used to determine surety bond amount – see #VI).
9. Proposed **startup date** (month, year): May, 2014 (continuing operation)
10. Proposed **completion**, if known (month, year): _____

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover or within practical limits. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at:
https://fs.ogm.utah.gov/pub/MINES/Coal_Related/RecMan/Reclamation_Manual.pdf.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

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V. VARIANCE REQUEST (Rule R647-3-110)

Any variance must be approved writing *in advance* by the Division

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measures to be utilized to meet the intent of the rule. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

Are variances being requested? Yes (☐) No (☒)

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Variance Requested

MAR 24 2014

Item # Applicable Rule

Justification: DIV. OIL GAS & MINING

Alternate methods or measure to be utilized: _____

Attach additional page(s) if more variances are requested.

VI. SURETY (Utah Code Ann. §40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations. No surface disturbance is authorized until the surety is posted and approved in writing. The surety may be provided in the form of a certificate of deposit, a letter of credit, a surety bond, or cash. Please contact the Division for further information about submitting the surety. All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. **Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.**

VII. SIGNATURE REQUIREMENT

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. **This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; **or** (4.) the member or manager if applicant is a limited liability company.

Signature: Michael Sprunger Date: Feb 24, 2014
Name (typed or printed): Michael Sprunger
Title/Position (if applicable): Owner

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DIV. OIL GAS & MINING

A

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AMENDED NOTICE OF INTENT FOR $\frac{1}{4}$ ACRE ADDITIONAL DISTURBANCE DIV. OIL GAS & MINING

- 1) Lease Number: ML47821, SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 16, T12S, R11W. Total disturbance on ML47821 will be $\frac{1}{2}$ acre with this amendment.
- 2) Lessee (& Operator) Information:

Michael & Sandra Sprunger
PO Box 369
Oak City, UT 84649-0369
- 3) Description of Environment & Ore Body to be Explored: There are no rights of way, pipelines, utility lines, fences, buildings or other human improvements upon this lease. No stream channels or water bodies will be impacted on this lease. Soil is clays and weathered rhyolite. Vegetation consists of mostly cheat grass with some sage. This lease is in the Thomas Range which is Tertiary rhyolite. Mineral targets are based solely on surface "float."
- 4) Description of Exploration/Mining, Drilling & Operations: Please note that the mining methods for this expansion are identical to our original plan. No change to the existing access roads is necessary. No bore holes deeper than 2' to 4' (for blasting) will be drilled. The location of this expansion is south of and adjacent to the earlier workings. Exploration/mining will consist of trenching and small open-pitting to 40' or 30'X40'. Backhoe will be used to clear off and stockpile scant topsoil on the same stockpiles as used in earlier mining. Overburden rock (waste rock) may be inches to several feet thick and will be stored on the same stockpiles used earlier. No toxic substances will be used on-site. Explosives will be stored at a magazine incorporated into a nearby topsoil stockpile. Storage and handling of leased substances to be mined (topaz) will be at the residence of lessees. Rather than weighing & measuring topaz, accounting will be by appraisals by lessees on a piece-by-piece basis at the ends of quarters in which the material is mined. (As we do not anticipate over 4 weeks/year work on ML47821, only one or two quarters per year will have production.
- 5) Description of Ore Reserves & Markets: No estimate of ore reserve exists. Knowledge of an underlying deposit is based on a few pieces of float found at the surface. This float does not guarantee a valuable deposit. The primary use for the topaz is as collectable mineral specimens and gemstones. Markets have to be found (no ready market exists). Average market value per unit cannot be ascertained beforehand.
- 6) Maps: A) 7 $\frac{1}{2}$ ' USGS Quad showing access road and mine site.
B-i) Access and mine site on scale 220' to the inch.
B-ii) Mine site on scale of 50' to the inch.
C) (No geological assay map exists)
- 7) Reclamation Plan: The area of expansion has sparse vegetation. Restoration will consist of filling quarries, covering with stockpiled topsoil and reseeding. Distribution and grading of topsoil will be done by planing with the loader bucket of backhoe.

Map 6A

7 1/2' USGS Topo Showing
40 acre ML 47821

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MAR 24 2024

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SW 1/4 NW 1/4 Sec 16
T12S, R11W, SLBM

Quarter
Section
17 Marker

See Map 6B

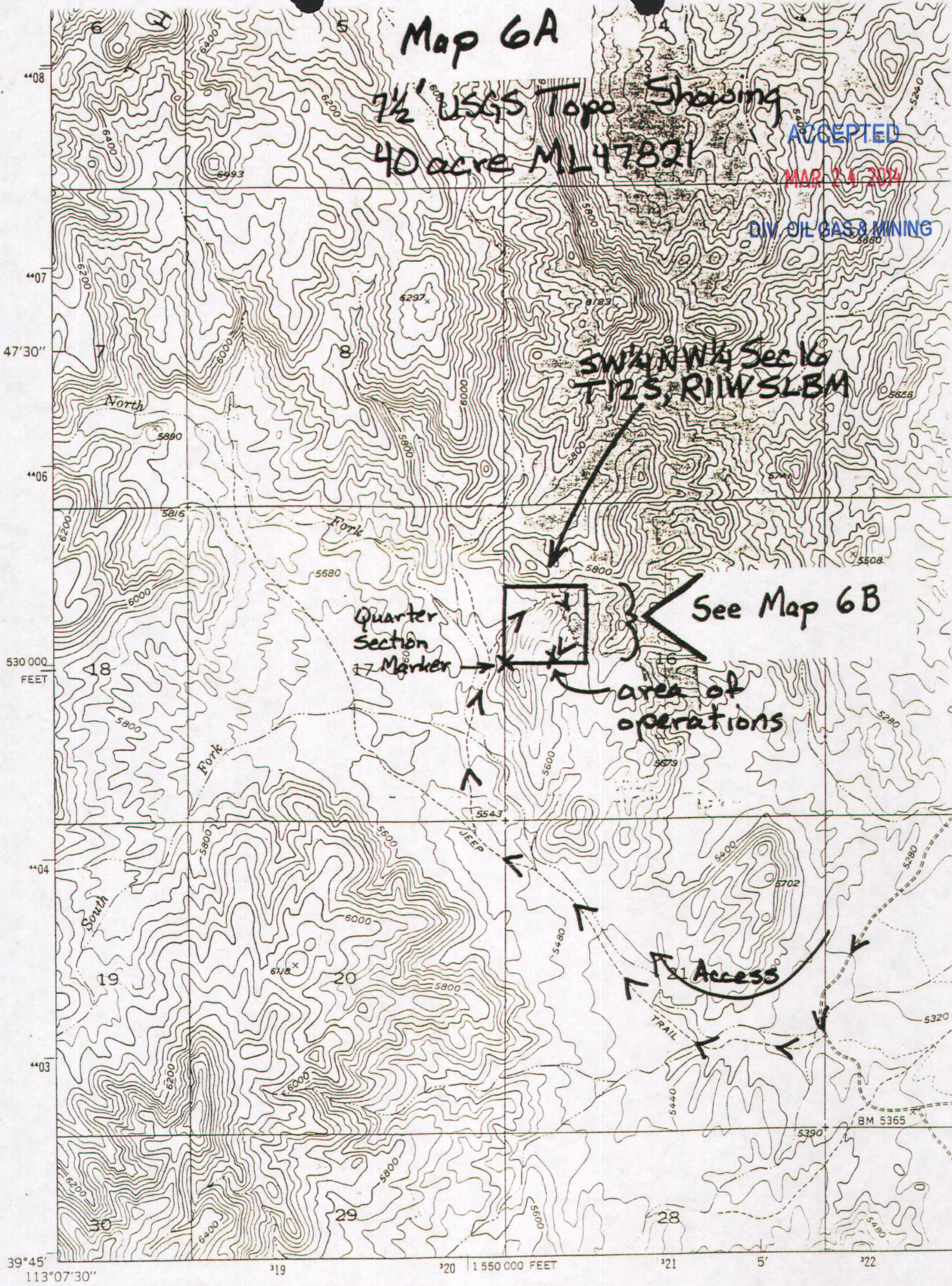
area of
operations

Access

TRAIL

JEOP

BM 5365



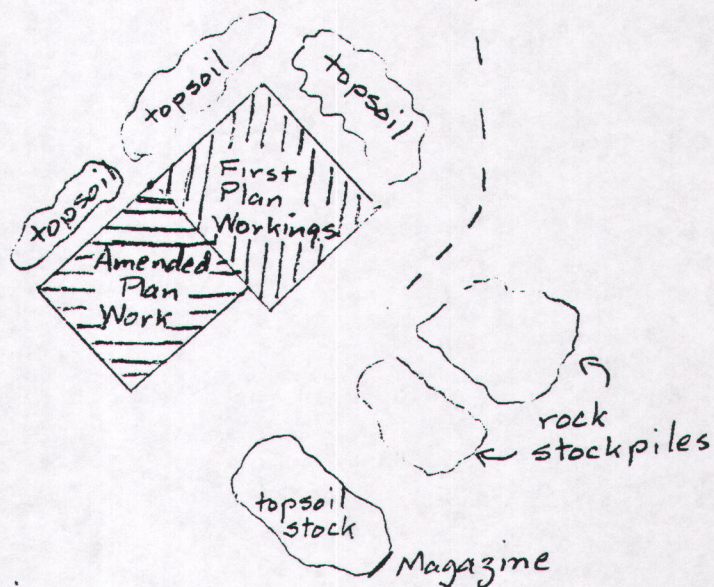
Map 6B-ii

Detailed Site Plan Showing Amended
Workings in Relation to Earlier Workings
on ML 47821.

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ML47821 south line

1" = 50'